

STATE TAX COMMISSION.

MAKES REPORT OF WORK DURING PAST YEAR IN EQUALIZING TAXES.

Tells What Action Was Taken and Reasons for Making Changes in Various Banks, When Effort was to Assess Institutions at Fifty Per Cent of Values.

"In order to effectively carry into execution the equitable assessment of property for taxation," the South Carolina Tax Commission was created by the Act of February 20th, 1915. The Act abolished the State Board of Assessors and the State Board of Equalization and devolved their duties upon the Tax Commission, and gave the Tax Commission general supervision over the assessment and tax laws of the State, over all boards of assessors and equalization, over all assessing officers in the performance of their duties, to the end, that all assessments of property be made relatively just and equal in compliance with the laws of the State. The Act empowers and directs the South Carolina Tax Commission to "assess and equalize the taxable value upon the property and franchises of railroads, street railway companies, electric railways, water, heat, light and power companies, corporations engaged in textile industries, cotton seed oil and fertilizer companies, Pullman Palace car companies, express companies, telegraph and telephone companies, private car lines and canals furnishing power for rent, hire or sale, and public service corporations, banks and banking corporations, insurance and trust companies." The Tax Commission, in pursuance of the statute, at once entered upon the assessment and equalization of the taxable values of properties of corporations required to be assessed by them under subdivision 16, of Sec. 8, of the Act above quoted.

In making these assessments, the Tax Commission undertook to act upon the same basis theretofore observed by the State Board of Assessors and State Board of Equalization with respect to the classes of property theretofore assessed by them.

In assessing the banks and banking corporations which have heretofore been assessed by the County Auditors and County Boards of Equalization on a basis varying in each county, the State Tax Commission sought for a uniform percentage of value which would place the banking properties on the same relative basis on which they were assessed in 1914. The aggregate amount of assessments of such property for the year 1914, was \$13,078,681.00, but a great difference existed in the percentage of the true value taken for the purpose of assessment, in the completeness of the returns for purposes of taxation, and in the allowance of alleged exemptions; banks in some counties being assessed at 20 per cent. of the real value of their stock, while others in the same counties were assessed at 60 per cent. The Tax Commission ascertained that the average percentage taken for assessment and taxation, of the actual value of all bank stock throughout the State for the year 1914 was 48 1-10 per cent., and therefore adopted this basis of percentage of the true value of the banks in 1914 as the basis to assess and equalize all banks' stocks of the State in 1915.

The incidental effect was to reduce the amount of taxes to be paid by some banks and increase the amount to be paid by others. In making the assessment and equalization of the banks, the Tax Commission discovered and added some items of taxable property held by the banks escaping taxation which will more fully appear in the tabulated statements in another part of this report. No radical changes were made; the object of the Tax Commission being to equalize the amount of taxes paid by the banks throughout the entire State; to assess and equalize them upon a common basis, so as to place them upon an equal footing for taxation, until such time as there would be a new assessment of all classes of property in the State, including real estate, when a common percentage of the true value for purposes of taxation will be applied to all property. The increase of \$1,487,994, in the assessment of bank stocks for 1915 over the assessment of 1914, is accounted for, not by the change in the percentage of true value taken for the purpose of taxation, but the increase of new capital, surplus and undivided profits, together with property heretofore escaping taxation, and by the disallowance of exemptions erroneously allowed in the assessments of 1914.

To illustrate: The banks in Charleston county returned for taxation in the year 1914, \$3,941,264.00. They were allowed exemptions for investments in Redemption Brown Bonds and Stocks—\$1,360,738.00. The true value of their property taken to be taxed in 1914, was \$2,580,526.00, of which there was taken for assessment and taxation, 68 2-3 per cent., or \$1,720,484.00. For the year 1915 they are assessed on the basis of 48 1-10 per cent. of the real value, or \$1,241,-

427.00, a little less than the amount assessed in 1914.

The way in which the figures were arrived at in 1915 was as follows: The tax returns for the year 1915 in Charleston included the return of their property made by the Charleston banks, for 1914, \$3,941,264.00; and added the additional capital invested in new banks in Charleston County during the year 1914, \$50,000.00; also added the additional capital added by old banks in Charleston during the year 1914, \$110,820.00, and added the increase in surplus and undivided profits during the year 1914, \$206,805.00, and deducted therefrom the decrease of certain banks in Charleston County of undivided profits for the year 1914, which made the aggregate value of bank stocks in Charleston County on January 1st, 1915, as then returned by the banks for taxation, \$4,262,973.00.

The South Carolina Tax Commission, upon considering these returns, added thereto the aggregate sum of \$512,151.00 for additional surplus and undivided profits, etc., belonging to the Charleston banks and omitted from their tax returns, which brought the true value of the property of the banks to the figures reported by them to the State Bank Examiner and the Comptroller of the Currency at the close of business December 31, 1914, to wit: \$4,775,124.00. When the difference between the actual value of specific real estate and property, and valuation thereof returned to the Bank Examiner and Comptroller of the Currency is added to the statements of assets made to those officers, which increasing their undivided profits and surplus in such amounts. This is done only in those cases where it is apparent that the real estate and other specific property is not carried as an asset at its real value. To illustrate: The banking house of Carolina Savings Bank is valued in its statement to the Bank Examiner at \$10,000.00, and its other real estate at \$6,341.66. The assessed value of this property by the local board of assessors was \$30,875.00, so the Tax Commission in ascertaining the value of the stock, increased the value placed in the bank on this real and specific property in its statement to the Bank Examiner by adding thereto \$9,325.00. This is not double taxation of the real estate, as the assessed value of the real estate for purposes of taxation is deducted from the aggregate value of bank's property, and the remainder deducted from this aggregate amount the sum of \$1,312,595.00, the amount of investments in Redemption Brown Consol State Bonds, the only bonds to be deducted in ascertaining the taxable value of bank shares, under special provisions in the Statutes, and \$50,000.00, funds temporarily held by the banks for dividends theretofore declared due the stockholders, but not actually paid out, which made the true value of all taxable property belonging to the banks on January 1, 1915, \$3,412,529.00, which was an increase of \$862,003.00 in the actual value of the property belonging to the banks December 31st, the close of the year 1914. The Tax Commission then applied the uniform percentage of true value (48 1-10 per cent.), being the average percentage throughout the State, taken for the purpose of taxation. This gave the assessed value for the purpose of taxation for 1915 for all the banks in Charleston County as \$1,641,427.00, a net reduction of \$79,057.00 less than the assessed values for 1914.

Another illustration may be given by referring to the assessments of banks in Anderson county:

The true value of property returned by the banks in Anderson County for the year 1914 was \$1,712,427.00. There was no deductions or exemptions and this was taken as the basis for taxation and a tax thereon assessed for that year at 50 per cent., or \$856,315.00. In making the assessment for 1915 the banks of Anderson County reported an increase of additional capital to the extent of \$13,162.00, and an increase from undivided profits of \$32,297.00, and a decrease in some undivided profits of \$167,854.00 or a net decrease of \$135,647.00, making the returns of true value of their stock as given by the banks for 1915, \$1,589,942.00. The Tax Commission added to these figures for additional surplus and undivided profits not returned by the banks—\$189,362.00, which brought the true value of the property of the banks to the figures reported by them on December 31st, 1914, to the State Bank Examiner and the Comptroller of the Currency—\$1,779,304.00, after including therein \$800.00, value of bank fixtures and furniture omitted in the statement made by the Bank of Anderson to the State Bank Examiner, and of this amount 48 1-10 per cent. was taken as the assessed value for purposes of taxation for the year 1915, or \$855,830.00, a decrease of \$417.00 from the assessed value for taxation, of \$856,315.00.

Of course, in the equalization of these amounts there were increases of assessments of certain banks over their assessed value for 1914 to the

amount of \$38,802.00, and decrease in the assessed valuation of other banks for the purposes of taxation to the extent of \$39,279.00. In this equalization of the property for the purpose of taxation, the amount paid by some banks has been increased, while the amount paid by others has been reduced. This is a necessary incident to the equalization of property for the purpose of taxation, and shows that the work of this Commission is for equalizing and not adding to the burden of the taxpayers. We do not go into detail at this point as to the figures in other counties, but they will be found in another part of this report, and we submit the result to inspection by the Governor, the General Assembly and the taxpayers of the State, confident that when they review our action it will meet with their approval, and that they will find that we have done justice as between the banks of the State.

The percentage required and contemplated to be taken as the basis for taxation by the Constitution, is 100 per cent., or the true value of all property, but the assessments have heretofore been made at such a varying percentage of the true value that to at once undertake to apply the true value, or to assess all property at its true value for purposes of taxation would result in raising more money than contemplated by the Appropriation Act, and would be revolutionary. Assessment at the true value is the ideal mode of assessment, and to it we must eventually come if inequalities are to be avoided, but we cannot equitably adopt it as to one class of property until we are able and ready to adopt it as to all. Before any equitable basis of assessment can be arrived at the true value of all property must be first ascertained, and this is the object of the Tax Commission in its enforcement of the tax laws. But the condition of affairs existing when the Tax Commission commenced its work prevents an immediate assessment on such values. The taxation of real estate and personal property other than property of corporations, has been a matter of guess work, and, of course, will continue to be largely so, because of the difficulty in arriving at the market value of real estate, and the changes that take effect with reference thereto from year to year. The statutes contemplate the ascertainment of the value of real estate once in every four years, and a revision at such periods. If the legislature desires a revision before 1918 is now directed in the existing statutes, they should so declare, and they should also fix the percentage of the true value of real estate and all other property to be taken as the basis of assessment for purposes of taxation. One of the reasons why the assessments on real estate and other property for the purposes of taxation has not been at the true value of the property, has been the arbitrary 3 mill Constitutional tax for schools, and the practice of the legislature in levying a rate of taxation to be assessed before the assessments are made, and the amount ascertained upon which the levy is to be made.

The abolition of an arbitrary Constitutional 3 mill school tax, and the authorization of a flexible levy to meet the amount of appropriations made by the General Assembly for State, County and School purposes, is essential to a satisfactory re-adjustment of present taxing methods in this State, and to an equitable assessment and taxation of property for the purpose of meeting the annual appropriations and the avoidance of inequalities and unnecessary taxation.

The restrictions of the Constitution upon the power of the Legislature to classify the various kinds of property in the State for purposes of taxation, should be abolished; the Constitutional 3 mill tax on all taxable property for school purposes, and the Constitutional requirement for a uniform and equal rate of assessment and taxation should be repealed. If such Constitutional amendments were submitted to the electors at the general election in 1916, and these restrictions upon the power of the Legislature removed by amendments to the Constitution, many reforms would follow, existing inequalities be remedied, and a simple method of equitable and just taxation inaugurated to meet the demands of our necessities.

When the object of this Commission in securing the equitable assessment for property for taxation shall have been accomplished, the results will necessarily be to lower the burden borne by those who are paying more than their proportion of taxes and increase it on those who have heretofore escaped the proportion due by them, and not to increase the aggregate amount of taxes paid by the people.

Call New Pastor.

Cedar Creek and Antioch congregations have called Rev. J. L. Mayers of Eastover as their pastor and he has accepted and has entered upon his work up there. His first service as pastor was held last Sunday. Mr. Mayers has been called to a field of great work and usefulness.—Bishopville Leader and Vindicator.

REARDON THROWS BOUQUETS.

Compliments, Comments and Reminiscences About The Anniversary Edition.

Editor The Sumter Daily Item:

It is a general custom throughout the world for newspaper men to do a great deal of work, spend a lot of their money, give freely of their time, and to otherwise contribute towards the success of every public undertaking, by free advertising, free boosting, and when the events have passed into history, and the glory is being divided the newspaper scribes and proprietors are forgotten, if indeed they have been at all connected up with the success of the undertaking.

At best, about all of the recognition that is ordinarily accorded the average newspaper for its public spiritedness and enterprise is the additional privilege of furnishing free of charge, hundreds of extra copies of the papers containing the "booster writings," and a limited number of "complimentary tickets, occasionally, which aforesaid "complimentaries" or "compliments" have been paid for many times over by columns of free advertising, "before and after taking" the free passes.

So in order that you and your associates of the publications issued by the Osteen Publishing Company may see how the bouquets which will be placed upon your graves are going to look, I will undertake to show the appreciation of the Sumter Horse Show Association, the Sumter Chamber of Commerce, and the Retail Merchants' Association for the enterprise and extraordinary liberality which you have exhibited in getting out the Special Anniversary edition of the Sumter Daily Item, which reflects so much credit upon Sumter city and county and upon the Osteen Publishing Company.

If it will afford you any pleasure, and usually gratitude showed does bring about a feeling of reward for good things done by an individual enterprise, I want to say to you that I have heard hundreds of Sumter's appreciative citizens expressing their hearty appreciation of what you have accomplished for Sumter city and county by the unexcelled special edition, just issued, of the Sumter Daily Item.

"I haven't heard a 'knock' or unfavorable comment, and then the half has never been told, although that statement is breaking all records on the high gear but 'safety first' methods of showing general appreciation.

You know that during the twenty-one years that I have been directly connected with your publications, and as a contributing writer, you have always accused me of being a "voluminous" and long-winded scribe, but who always "got there just the same" if allowed time and unlimited space. So you must bear patiently with the old "E. I. R." who has tried your patience and tested your religious inclinations for 10, these many years.

If you have stood it this long and lived to tell the story, why one more spasm of enthusiasm from a grateful fellow citizen won't effect your appetite to any great extent.

To begin with, I have wandered, all great men wander, and many great writers and orators "wander" a great deal before getting down to the story or the oration in simon pure style. I have wondered if the average man and woman who reads the Special Anniversary edition have the remotest idea of how much it cost you and your company in dollars and time for the enormous amount of boosting of Sumter's business and banking establishments, schools, organizations, institutions, citizens generally, public officials, farmers, churches, corporations, and generally advertising Sumter and Sumter county. Do they realize that you spent hundreds of dollars in getting up all of this data, setting up the type, copy reading, and proof reading, having extra writers and information gatherers and compilers working, and other extra expenses, all of which you paid for and charged nothing for.

Do they know that the Sumter Chamber of Commerce was given all of the free space it wanted to "boost" Sumter city and county, and that you have mailed out at your expense more than two thousand copies of your special edition to every State in the United States, and to Canada, Mexico, Cuba, England, Germany, France, Ireland, Scotland, Wales, New Foundland, Greece, and other foreign countries, names furnished by this commercial organization working in conjunction with the industrial, immigration, and land agencies of the Atlantic Coast Line Railroad company, and the Southern Railway company, and through other local and State agencies.

That all of this free space, free copies, and free postage given, cost you a neat sum of money? That it cost you some money to have cuts made, to employ a force of extra writers and advertising solicitors, and further that after all has been said and done, after all of the paid advertising you received, that when you count up the cost, in time expended, and free advertising and other "complimentary" concessions on your part, that you just about "break even" on the proposition of

celebrating the Daily Item's majority birthday?

But Mr. Editor, I imagine that your reward comes in the way that your fellow citizens patronized the special edition, and the spirit in which it was received, more than in the hopes of financial profit.

As "one of the old guard that never surrendered" to the dark clouds of adversity which have periodically overshadowed Sumter's prosperity, and one who has fought a good fight, and thoroughly imbued with the never say die Sumter spirit, you are one who can take gratitude and appreciation, co-operation and public spirit in place of cash rewards, if your fellow citizens show that what you are trying to do for your home city and county is appreciated.

The Twenty-first Anniversary edition of your paper, Mr. Editor, is all that high class journalism, brains, and enterprise, coupled up with good business management could possibly produce.

It has a special value which I am going to emphasize. That value lies in the absolute reliability of the statements made and so carefully verified by you from official records or other reliable sources.

Its value as an advertisement for Sumter city and county is based upon the fact that what you permitted printed about Sumter and Sumter county had to be verified before you allowed the stories to become a part of the special edition.

If you had put in as much time seeing how much money you could make out of the special edition as you did in verifying statements, you could now be riding around in a Ford touring car with a string band accompanying you. I know this to be a fact. You required me to stand up to the Sumter Chamber of Commerce motto "The Truth is Good Enough," and you had to be shown by every writer, regular and special, that what was written was absolutely correct.

Your special edition leaves the beaten track of ordinary specializing in journalism. The edition is not only a business edition, and a valuable advertising proposition for the entire city and county of Sumter, and for those business establishments which used advertising space, but this edition is very valuable from a historical and an educational point of view.

You have done much for Sumter, and Sumter county in the past. The special edition but adds to the value of your services to your native city, county, and State.

I can imagine your thoughts going back twenty-one years ago to the old O'Connor little wooden building on the site of your present magnificent three-story buildings, and you recall how you saved Emmett's life many a time by not publishing some of the fool stuff I wrote. Candidly I think you ought to have a Carnegie hero medal for the patience and friendship you displayed for a hot headed young Irish aspirant for journalistic fame.

You doubtless recalled the olden time hand press, worked by "elbow grease" motive power, we didn't have high tension magnetos in our office "them days." And how the type were set by hand, and how we use to say that Joe Darr's red hair was red enough to keep the room warm without a stove, and how we didn't know half the time where the pay roll money was coming in, but how you always paid off whether you got anything for yourself or not.

Well, Mr. Editor, you have a lot to be proud of, and a lot to be thankful for, and I know that you are well pleased with your lot in life. I just wanted, in my good olden time, "rambling way" of voluminous emphasis to let you know what Sumter people think of your splendid anniversary edition. Like the writer, you are just crossing the middle ground slopes of "the great divide" and I want you to feel that you are still useful and appreciated so that you won't allow your premature grey hairs and threatened bald heads to dampen our well preserved youthful enthusiasm.

We have worked so well together, in double harness, for so many years, in getting up fall festivals, organizing and helping to keep up chambers of commerce, advocating sewerage and the waterworks systems, paved streets, fighting for big bond issues, getting "cussed" out and occasionally doing a "little necessary and judicious cussing" ourselves just to show that we weren't whipped out, working for the federal building, writing up weddings, first horns, funerals, fires, and foot races, firemen's tournaments, and so forth and so on, that I have about concluded that the Daily Item and Watchman and Southern are inseparable parts of my life work, and I have thought for a number of years that those two papers and the publishers couldn't possibly get along without some advice and writings from "E. I. R."

Self complacency, and a friendly medium of disparaging same, without cost, have a tendency to cause your beneficiaries and your proteges to voluntarily offer consolation, advice, and congratulations, whichever may be needed for the time being.

So that is why I am writing this long letter to you. I have nothing to

hide, and I would like to see these old sentiments of appreciation and gratitude worked up into an intelligible article for publication. You have written me up and other Sumter men a great many times during my twenty-odd years of public and semi-public life, and you have stood by me through thick and thin. I would like to see something written about you would look in print. Here's hoping that The Daily Item and the whole Daily Item force of public spirited boosters and all around good citizens may long continue to wave.

You and your papers have been potent factors in the development of Sumter in every conceivable manner. And you don't want to lay down and die thinking that your good work has not been appreciated.

While "a prophet is not without honor, save in his own country" will continue to be true to a more or less extent, unless the European war results change even the old adages long in vogue, and if this war doesn't change adages they will be about the only unchanged thing of any commercial value, nevertheless The Daily Item will continue to be a big and inspiring medium of public usefulness in the future as it has been in the past.

Keep up your never say die, good old time Sumter spirit, and spread the enthusiasm of optimism which engenders that civic pride that builds cities and accomplishes other great things. You might indulge even in some wholesome sterilized and sanitary "hot air" occasionally, and if your "hot air" tank is rusty or out of whack, there are those who are fully prepared to furnish a good supply, when occasion demands, believe me. With assurances of the writer's highest esteem and gratitude, I remain with best wishes, Yours truly,

E. I. Reardon,
Managing Secretary.

TO PARADE IN FULL DRESS.

A unique and at the same time very appropriate feature of the Sumter county division of the Harvest Jubilee parade in Columbia next Wednesday will be a company of gentlemen attired in full evening dress clothes wearing derby hats, and wearing hat bands inscribed "Sumter, The Gamecock County," and a thoroughbred gamecock inscribed on the hat band.

Coat ribbon badges similarly inscribed will be worn by the full dress parade delegation.

Every citizen of Sumter county who owns or can rent a full dress suit for this occasion is cordially invited to participate.

If the Sumter Shrine Club participates in the parade their large membership of Shriners will add greatly to the number in the full evening dress division from Sumter county, and their bright red and golden trimmed fezzes, will vie with the smart and business-like derby hats of their fellow citizens, whose hats will bear the gamecock.

Superintendent of Education S. H. Edmunds is trying to arrange for a company of sixty of the Sumter High School military department to participate in the Sumter section of the big parade. Secretary Birchard of the local Y. M. C. A. says that a detachment of the Boy Scouts will be there to act as honorary escort for the beautiful Sumter queens who will grace the Sumter float by their presence. These young ladies will be highly honored also by solicitous attention and "safety first" honorar, and other kinds of escort, vying with His Excellency Gov. Manning in the honorary attentions paid by admiring Sumter men and boys.

PELLAGRA KILLS MANY.

The death rate in South Carolina from pellagra, based on reports to the bureau of vital statistics, has been 90 per 100,000 inhabitants for the first eight months of this year. The death rate from typhoid fever for the same period was 26.5.

The number of deaths from pellagra from January 1 to August 31, inclusive, was 1,082, apportioned as follows: 125 white men, or a percentage of 11.5 of the total deaths; 232 white women, 21.4 per cent.; 215 negro men, 19.9 per cent.; 511 negro women, 47.2 per cent.

Weather and Crop Summary.

For the week ending at 12 Noon, Wednesday, October 20, 1915.

The week has been one of abnormal heat, abundant sunshine and but little rain. The bulk of the cotton crop has opened, and picking has been pushed. A good peanut crop is being gathered in the eastern portion. Late gardens and field truck are in good condition. Not much fall plowing has been done, as most planters have been engaged in cotton picking, haying and corn gathering.

Brownsville, Oct. 19.—Corporal McBee and Engineer Kondall were killed when Mexican bandits wearing Carranza uniforms wrecked and robbed a St. Louis-Southern train near here last night. United States troops were rushed to the scene.